

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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JOHN W. PARSONS, ESQ., *Executive Director*

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## MEMORANDUM

TO: Worcester Regional Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: December 2, 2020

This Commission is hereby furnishing you with approval of the revised funding schedule the Board recently adopted (copy enclosed). The schedule is effective in FY21 (since the amount under the prior schedule was maintained in FY21) and is acceptable under Chapter 32.

The System reduced the investment return assumption from 7.75% to 7.65%. We have generally recommended an assumption between 6.90% and 7.15% for our 2020 local system valuations. For comparison, there are currently 64 systems using an assumption of 7.25% or below. An additional 26 systems use an assumption of 7.30% - 7.50%. The 7.65% assumption is slightly above the high end of PERAC's reasonable range of investment return assumptions as of January 1, 2020.

If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

JWP/jfb

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# SECTION 3 - CHAPTER 32 OF M.G.L. APPROPRIATIONS

## Exhibit 3.1 - 30-Year Forecast of Annual Appropriations

Fiscal Year Ending	Employer Normal Cost	Amortization Payment of UAL	Amortization Payment of ERI 2002	Amortization Payment of ERI 2003	Amortization Payment of ERI 2010	Total Employer Cost	Increase over Prior Year	Unfunded Actuarial Accrued Liability
2021	\$21,722,060	\$44,863,868	\$1,548,801	\$303,661	\$5,764	\$68,444,154		\$898,566,864
2022	23,466,626	49,846,133	1,618,497	317,326	5,764	75,254,346	9.95%	919,708,043
2023	24,130,458	56,588,761	1,691,329	331,605	-	82,742,153	9.95%	937,305,798
2024	24,817,524	64,043,507	1,767,439	346,528	-	90,974,998	9.95%	949,297,703
2025	25,528,638	72,289,277	1,846,974	362,121	-	100,027,010	9.95%	954,519,557
2026	26,264,641	81,406,552	1,930,087	378,417	-	109,979,697	9.95%	951,643,404
2027	26,026,403	92,483,886	2,016,942	395,446	-	120,922,677	9.95%	939,157,521
2028	26,814,828	103,618,709	2,107,704	413,242	-	132,954,483	9.95%	914,325,350
2029	27,630,847	118,552,606	-	-	-	146,183,453	9.95%	876,139,068
2030	28,475,427	132,253,281	-	-	-	160,728,708	9.95%	822,385,561
2031	29,349,566	143,836,978	-	-	-	173,186,544	7.75%	750,562,039
2032	30,254,301	149,590,457	-	-	-	179,844,758	3.84%	661,442,864
2033	31,190,701	155,574,075	-	-	-	186,764,776	3.85%	559,644,586
2034	32,159,876	161,797,038	-	-	-	193,956,914	3.85%	443,962,794
2035	33,162,973	168,268,919	-	-	-	201,431,892	3.85%	313,091,560
2036	34,201,177	174,999,675	-	-	-	209,200,852	3.86%	165,615,302
2037	35,275,718	-	-	-	-	35,275,718	-83.14%	-
2038	36,387,868	-	-	-	-	36,387,868	3.15%	-
2039	37,538,942	-	-	-	-	37,538,942	3.16%	-
2040	38,730,305	-	-	-	-	38,730,305	3.17%	-
2041	39,963,366	-	-	-	-	39,963,366	3.18%	-
2042	41,239,585	-	-	-	-	41,239,585	3.19%	-
2043	42,560,470	-	-	-	-	42,560,470	3.20%	-
2044	43,927,587	-	-	-	-	43,927,587	3.21%	-
2045	45,342,553	-	-	-	-	45,342,553	3.22%	-
2046	46,807,042	-	-	-	-	46,807,042	3.23%	-
2047	48,322,788	-	-	-	-	48,322,788	3.24%	-
2048	49,891,586	-	-	-	-	49,891,586	3.25%	-
2049	51,515,291	-	-	-	-	51,515,291	3.25%	-
2050	53,195,826	-	-	-	-	53,195,826	3.26%	-